

Approved For Release 2001/09/07 : CIA-RDP76M00527R000700160002-5

S. 3767 The original of the report and the
DCI routing slips, etc., for this package
are in the S. 2597 file.

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CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

17 SEP 1974

Mr. Wilfred H. Rommel
Assistant Director for Legislative Reference
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Rommel:

Enclosed is our revised proposed report to Chairman Stennis, Senate Committee on Armed Services, in response to requests for our recommendations on S. 2597 and S. 3767, both of which would amend the National Security Act of 1947 to strengthen and clarify certain provisions of the Act relating to activities of this Agency. Mr. George Gilbert has been advised that we would be submitting a revised report for your review.

Advice is requested as to whether there is any objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

SIGNED

George L. Cary
Legislative Counsel

Enclosure

Distribution:

Orig - Addressee, w/encl
1 - S. 2597 file, w/encl
X - S. 3767 file, w/encl
1 - OMB Liaison, w/encl
1 - OLC Chrono, w/o encl

CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

Honorable John C. Stennis, Chairman
Committee on Armed Services
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

This is in response to your request for comments on S. 2597 and S. 3767. Both of these bills would amend the National Security Act of 1947 to strengthen and clarify certain provisions of the Act regarding activities of the Central Intelligence Agency. For the most part their provisions are identical and these provisions are acceptable to me. Where the two bills differ, I prefer the language of S. 2597.

The language of S. 3767 is the same as section 703 of the Senate amendment to the Military Procurement Act of 1975 (H.R. 14592) which was added to the bill as a Senate floor amendment and which was the subject of my letter of 14 June 1974 to you.

I fully support the identical provisions which insert the word "foreign" immediately before the word "intelligence" in section 102(d) of the 1947 Act, thus clearly expressing the mission of CIA as relating only to foreign intelligence. While I believe the word "intelligence" in the original Act was generally understood to refer only to foreign intelligence, the suggested language will make this limitation even clearer to Agency employees, other Government officials, and to the public.

I am pleased to accept the identical provisions concerning section 102 (d)(5) of the Act, which converts to a statutory requirement the long-standing practice of complete congressional oversight of our activities. Pursuant to current congressional procedures, the Agency

reports fully on its activities to the oversight committees of the House and Senate Armed Services and Appropriations Committees. This system has worked well in protecting the numerous highly sensitive matters reported to these Committees over the years. I am confident that any future congressional procedures which may be established will be as effective as the existing ones in meeting the dual objectives of complete security and maximum oversight.

Both S. 2597 and S. 3767 add a new section 102 (g)(1) to the Act which reiterates the existing prohibition against any police, law-enforcement, or internal-security functions, while setting forth permissible areas of domestic activity for the Agency. While both bills explicitly recognize the necessity that the Agency protect its installations, conduct personnel investigations, and provide information to other agencies, only S. 2597 recognized that the Agency must conduct activities within the United States in support of its foreign intelligence responsibilities. This latter proviso in S. 2597 is deemed essential so that there is no question that the Agency is permitted to conduct certain necessary activities in the United States. Of course such activities could not contravene the prescriptions in the Act against internal security functions but would be solely in support of our foreign intelligence mission, such as: (a) interviewing American citizens who are willing, voluntarily and without pay, to share foreign intelligence information in their possession with their Government; (b) collecting foreign intelligence from foreigners in the United States; (c) establishing support structures necessary to foreign intelligence operations abroad; and (d) providing technical assistance to the Federal Bureau of Investigation for its counterintelligence operations against foreigners.

S. 3767 adds a new section 102 (g)(2) which states that the Agency shall not "participate, directly or indirectly, in an illegal activity within the United States." I believe this section is inappropriate and unnecessary. No agency need be reminded by statute that it must obey the law. It could also be used to raise difficult questions with respect to fully appropriate activities in the United States essential to the support of foreign intelligence activities abroad.

Section (4) of S. 2597 reinforces the charge in the 1947 Act that the Director of Central Intelligence shall be responsible for protecting Intelligence Sources and Methods from unauthorized disclosure by requiring the Director to develop plans, policies, and regulations in the implementation of this responsibility. Any information indicating a violation of the Director's plans, policies, and regulations would be reported to the Attorney General for appropriate action. Section (4) would not create additional penalties for unauthorized disclosure.

As you know, Mr. Chairman, I am of the opinion that more effective deterrents are needed to prevent unauthorized disclosures of Intelligence Sources and Methods. Specific legislation to this end is under active consideration within the Executive Branch. I do, however, support section (4)(g) of S. 2597 as clarifying the existing provision in the 1947 Act concerning the protection of Intelligence Sources and Methods from unauthorized disclosure.

Your interest in a clear statutory delineation of this Agency's functions and authority is appreciated, and I wish to assure you of our clear understanding that this Agency's responsibilities apply only to foreign intelligence and related activities.

The Office of Management and Budget advises there is no objection to the submission of this report from the standpoint of the Administration's program.

Sincerely,

STATINTL

W. E. Colby
Director